(b) whether any such proposal has been submitted before the WTO;

(c) if so, by when; and

(d) what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) to (d) India has been demanding in the Council for TRIPS that the higher level of protection as is available to wines & spirits under Article 23, should be extended to geographical indications of other products also.

India in a Joint submission along with Bulgaria, The Czech Republic, Egypt, Iceland, Kenya, Liechtenstein, Pakistan, Slovenia, Sri Lanka, Switzerland and Turkey has submitted a proposal in this regard in the TRIPS Council on 2nd October, 2000 and further supported this proposal vide Joint submission on 17th March, 2001 and on 17the September, 2001. Ministerial Declaration at Doha has directed the Council for TRIPS to address as a matter of priority, the issue of extension of the protection of geographical indications provided for in Article 23 to products other than wines and spirits and to report to the Trade Negotiations Committee in this regard by the end of year 2002 for appropriate action.

Decline in industrial growth

†491. DR. MANMOHAN SINGH:
SHRIMATI SAVITA SHARDA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that industrial growth in 2001-2002 is likely to be the lowest in the last twenty five years;

(b) if so, the reasons therefor; and

(c) the steps being taken by Government to accelerate the pace of industrial development?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) As per the latest available data the growth rate achieved during the current financial year (April-December 2001-02) has been 2.3%, which is among the lowest growth rates achieved in industrial production in the last twenty-five years.

†Original notice of the question was received in Hindi.

(b) The reasons for the slowdown in industrial production growth rate are mainly attributable to following structural and cyclical factors;

Investment and business cycles.

Inherent adjustment lags of corporate restructuring.

Lack of both consumer and investment demand.

Continued high real interest rates

Infrastructure constraints particularly in power.

Delays in establishing credible institutional and regulatory framework to provide the requisite comfort level for private participation in some key sectors have also dampened private investment and industrial production.

Lack of reforms in land and labour markets.

Continued economic slowdown in countries that are major trading partners of India, *viz.* USA. Japan, and European Union.

(c) The Government has already taken and proposed to initiate several policy initiatives to boost industrial production in the country. These measures have been targeted to improve competitiveness of Indian industry in general and to boost aggregate demand, improve infrastructure base, upgrade technology, introduce labour flexibility and encourage FDI flows. Some of the initiatives taken recently/proposed to be taken are briefly mentioned below:

Public spending out of the budgetary allocations has been stepped up. Government has already identified several 'last mile projects' under various ministries for speedy completion.

DIPP has proposed to conduct sector-wise studies in respect of capital goods, electrical/manufacturing, pulp and paper and cement industries with a view to enhance the competitiveness of these industries.

Companies Act has been amended to allow buy-back of shares, by the companies.

To deepen reforms in stock exchanges and to provide protection to the investors, Union Budget 2002-03 proposes amendments in SEBI Act,1992.

The Government has announced guidelines for allowing 100% FDI in

the development of integrated townships and regional urban infrastructure. This is expected to boost housing/real estate sector and also boost production in cement and steel sector.

To boost Foreign Institutional Investment (FII) in India, FII portfolio investments will not be subject to the Sectoral limits for foreign investment except in specified sectors.

Mid term Export strategy for 2002—07, to lay stress on effective tax rebate schemes to help exporters, which include transparent and comprehensive schemes of reimbursement, comprehensive VAT system at every level, rebating service tax besides lower customs and excise duties for major inputs needed for exports which can minimise the need for duty drawback. Sector-wise strategies to boost production for exports in key sectors, which include engineering/electronic/electrical, and allied, textiles, gems and jewellery, chemicals and allied sector have also been announced.

To reduce infrastructure bottlenecks several incentives have been announced in the Union Budget 2002-03 for improvement in power, roads, civil aviation and ports. The Golden Quadrilateral project will be substantially completed by December 2003—a year ahead of schedule, major ports to be corporatised in a phased manner and an allocation of Rs. 2500 crore has been made for the Pradhan Mantri Gramin Sadak Yojana for 2002-03.

Infrastructure equity fund of Rs.1000 crore will be set up to help in providing equity investment for infrastructure projects. Total Plan outlay on infrastructure in power, roads and railway is Rs.37919 crores.

Union Budget 2002-03 proposes abolition of 16% special excise duty on all, except eight items.

Additional 15% depreciation on new plant and machinery.

Reduction of peak rate of custom duty to 30% and rationalisation of custom duty rates to two duty rates by 2004-05.

Budget 2002-03 has announced special incentives for textile industry.

Measures to boost Housing sector such as repeal by the States of the rules under the Urban Land Ceiling Act, rationalisation of high stamp duty regimes proposed in the Union Budget 2002-03.